

**UNITED STATES BANKRUPTCY COURT
FOR THE EASTERN DISTRICT OF NEW YORK**

In re:

DANIEL JOSHUA GREENBERG,

Debtor.

Case No. 8-10-76154-REG

Chapter 7

FEDERAL TRADE COMMISSION,

Plaintiff,

v.

DANIEL JOSHUA GREENBERG,

Debtor.

Adversary Proc. No. 8-10-08753-REG

**STIPULATED JUDGMENT FOR NONDISCHARGEABILITY
OF DEBT OWED TO FEDERAL TRADE COMMISSION**

IT IS HEREBY STIPULATED AND AGREED BY AND BETWEEN THE PARTIES,
through their respective attorneys of record, as follows:

Plaintiff, the Federal Trade Commission (“FTC” or “Commission”), through its undersigned attorneys, filed a Complaint to Determine Nondischargeability of Debt under Section 523 of the Bankruptcy Code, 11 U.S.C. § 523 (the “Complaint”) on November 8, 2010. Defendant Daniel Greenberg (the “Debtor” or “Greenberg”) waives service of the Summons and Complaint, and agrees to the entry of this Stipulated Judgment for Nondischargeability, as further set forth herein.

Findings

1. This Court has subject matter jurisdiction over this Stipulated Judgment for Nondischargeability pursuant to 28 U.S.C. §§ 157 and 1334, and 11 U.S.C. § 523.
2. Venue in the Eastern District of New York is proper under 28 U.S.C. § 1409(a).
3. This Adversary Proceeding is a core proceeding pursuant to 28 U.S.C. § 157(b)(2)(I).
4. This Adversary Proceeding relates to *In re Daniel Joshua Greenberg*, Case No. 8-10-76154 (Bankr. E.D.N.Y.) (Chapter 7), now pending before this Court. The FTC is a creditor and party in interest with a claim against the Debtor pursuant to a Stipulated Final Judgment and Order for Permanent Injunction and Consumer Redress as to Defendant Daniel J. Greenberg (the “Stipulated Judgment”). The United States District Court for the Eastern District of New York (the “District Court”) entered the Stipulated Judgment in the case *Federal Trade Commission v. Classic Closeouts, LLC, et al.*, Case No. 09-2692-LDW (the “FTC Action”).
5. The Stipulated Judgment includes equitable monetary relief in favor of the FTC and against the Debtor in the amount of two million, eighty thousand dollars (\$2,080,000), the amount of consumer injury claimed by the FTC in its Amended Complaint, without Daniel Greenberg admitting liability for any of the violations alleged in the Amended Complaint in the FTC Action. Based upon financial statements and supporting documents provided by the Debtor to the FTC, and the satisfaction of certain other criteria contained in the Stipulated Judgment, the District Court conditionally suspended the monetary portion of the Stipulated Judgment. The suspension of the monetary portion of the Stipulated Judgment may be terminated should the District Court determine, upon motion by the Commission, that the Debtor failed to disclose any material asset, or made any other material misrepresentation or omission in certain financial

statements and supporting documents provided to the Commission. A copy of the Stipulated Judgment is attached hereto and incorporated as Exhibit 1.

6. The FTC and the Debtor agree to resolve this Adversary Proceeding without trial or final adjudication of any fact or law, to settle and resolve all matters in dispute arising from the conduct alleged in the Amended Complaint in the FTC Action to the date of entry of the final order in the FTC Action, and they stipulate and agree that the Stipulated Judgment owing to the FTC by the Debtor is nondischargeable pursuant to 11 U.S.C. § 523(a)(2)(A).

Order

7. Judgment is hereby entered in favor of the Commission and against the Debtor/Defendant, Daniel J. Greenberg, determining that the Stipulated Judgment entered in the FTC Action, in the amount of two million, eighty thousand dollars (\$2,080,000), is nondischargeable pursuant to 11 U.S.C. § 523(a)(2)(A). The Stipulated Judgment is conditionally suspended subject to the Commission's right to file a motion in the District Court for the termination of the suspension of the Stipulated Judgment in accordance with the terms of the section of the Stipulated Judgment titled "Right to Reopen As To Monetary Judgment."

8. All other provisions of the Stipulated Judgment in the FTC Action, including the injunctive provisions, remain in full force and effect.

9. The persons executing this Stipulated Judgment for Nondischargeability acknowledge they have authority to bind the parties in the Adversary Proceeding.

//end of text//

STIPULATED AND AGREED TO AND SUBMITTED BY:

DANIEL JOSHUA GREENBERG

By: /s/ Daniel J. Greenberg
Date: October 8, 2010
Daniel J. Greenberg

By: /s/ Rachel S. Blumenfeld
Date: October 7, 2010
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FEDERAL TRADE COMMISSION

By: /s/ Kimberly L. Nelson
Date: December 16, 2010
Kimberly L. Nelson, Va. Bar. No. 47224
Federal Trade Commission
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Washington, D.C. 20580
Telephone: (202) 326-3304
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knelson@ftc.gov

**Dated: Central Islip, New York
February 17, 2011**



A handwritten signature in black ink, appearing to read "Robert E. Grossman".

**Robert E. Grossman
United States Bankruptcy Judge**